

**TOWN OF MARINGOUIN, LOUISIANA**

**FINANCIAL STATEMENTS**

September 30, 2013

# TOWN OF MARINGOUIN, LOUISIANA

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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
Town Council Members  
Town of Maringouin, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maringouin (the Town), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2013, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying other supplementary information included in the schedules and statistical information sections on pages 49 through 51 and S-1 through S-5, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statistical information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, on our consideration of the Town of Maringouin, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Gonzales, Louisiana  
March 31, 2014

# **TOWN OF MARINGOUIN, LOUISIANA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis of the Town of Maringouin's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the Town's financial statements, which begin on page 13. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take the time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (RSI) provided as required components of this annual financial report.

### **FINANCIAL HIGHLIGHTS**

In 2013 the Town of Maringouin experienced a customary year financially as both governmental revenues and expenditures increased relative to prior years. Certain funds experienced operating surpluses during 2013 from increases experienced in capital grant proceeds and operating revenues.

The major financial highlights for 2013 are as follows.

- Assets of the Town's primary government exceeded its liabilities at the close of the year by approximately \$6.7 million (net position). Of this amount, approximately \$1.4 million (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$16,000 during 2013.
- Governmental activities' net position increased by approximately \$37,000, mainly due to decrease capital grants and contributions.
- Business-type net position decreased by approximately \$21,000, due to decreases in charges for services.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$2.3 million. Approximately 5% of the fund balances, \$100,000 is restricted for fire protection activities.

Significant aspects of the Town's financial well-being as of and for the year ended September 30, 2013 are detailed throughout this analysis.

## USING THIS ANNUAL REPORT

The Town's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 15. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

### Reporting on the Town as a Whole

Our analysis of the Town as a whole begins on page 13. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way to determine if the Town is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net position and related changes. You can think of the Town's net position—the difference between assets and liabilities—as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property and sales tax base and the condition of the Town's roads and buildings, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities we divide the Town into two kinds of activities, governmental and business-type.

**Governmental activities** - Most of the Town's basic services are reported here, including public safety, roads and streets, debt service, and general administration. Property and sales taxes, franchise fees, and state and federal grants finance most of these activities.

**Business-type activities** – The Town charges a fee to customers to help it cover the cost of certain services it provides. The Town provides utility services to its residents that include gas, water distribution, and wastewater treatment, which is all reported here.

At September 30, 2013, the Town's net position was \$6.7 million, of which \$1.4 million was unrestricted. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Town's ability to use those net position for day-to-day operations.

Our analysis below of the primary government focuses on the net position and change in net position of the Town's governmental activities.

Town of Maringouin, Louisiana  
Statement of Net Position  
September 30, 2013 and 2012  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 2,413	\$ 2,125	\$ 788	\$ 556	\$ 3,201	\$ 2,681
Capital assets	<u>1,346</u>	<u>1,503</u>	<u>5,908</u>	<u>5,580</u>	<u>7,254</u>	<u>7,083</u>
Total assets	<u>3,759</u>	<u>3,628</u>	<u>6,696</u>	<u>6,136</u>	<u>10,455</u>	<u>9,764</u>
Current and other liabilities	63	35	1,423	928	1,486	963
Long-term liabilities	<u>241</u>	<u>175</u>	<u>1,968</u>	<u>1,882</u>	<u>2,209</u>	<u>2,057</u>
Total liabilities	<u>304</u>	<u>210</u>	<u>3,391</u>	<u>2,810</u>	<u>3,695</u>	<u>3,020</u>
Net position:						
Net investment in capital assets	1,105	1,387	3,940	3,697	5,045	5,084
Restricted	100	97	229	249	329	346
Unrestricted (deficit)	<u>2,250</u>	<u>1,934</u>	<u>(864)</u>	<u>(620)</u>	<u>1,386</u>	<u>1,314</u>
Total net position	<u>\$ 3,455</u>	<u>\$ 3,418</u>	<u>\$ 3,305</u>	<u>\$ 3,326</u>	<u>\$ 6,760</u>	<u>\$ 6,744</u>

The net position of the Town's governmental activities increased by 1%, or \$37,000, during 2013. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$2.2 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Town paid off all its the debt. The changes in net position are discussed later in this analysis.

The net position of the Town's business activities decreased by less than 1%, or \$21,000 during 2013. The Town operates natural gas, water distribution, and wastewater treatment systems. The primary focus of this activity is to operate on a profitable basis. This decrease is largely due to depreciation and amortization expense recognized on the utility systems. Additionally, the Town recorded approximately \$259,000 of depreciation on capital assets from utility operations.

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities are as follows:

September 30, 2013 and 2012 (in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 66	\$ 55	\$ 723	\$ 585	\$ 789	\$ 640
Capital grants and contributions	26	8	319	186	345	194
General revenues:						
Ad valorem taxes	18	16	-	-	18	16
Sales taxes	1,289	1,051	-	-	1,289	1,051
Other general revenues	109	50	1	2	110	52
Total revenues	<u>1,508</u>	<u>1,180</u>	<u>1,043</u>	<u>773</u>	<u>2,551</u>	<u>1,953</u>
Functions/Program Expenses:						
General government	386	350	-	-	386	350
Public safety	672	602	-	-	672	602
Roads and streets	409	360	-	-	409	360
Utility operations	-	-	1,007	811	1,007	811
Interest on long-term debt	5	5	56	94	61	99
Total expenses	<u>1,472</u>	<u>1,317</u>	<u>1,063</u>	<u>905</u>	<u>2,535</u>	<u>2,222</u>
Increase (decrease) in net position	36	(137)	(20)	(132)	16	(269)
Beginning net position	<u>3,418</u>	<u>3,555</u>	<u>3,326</u>	<u>3,458</u>	<u>6,744</u>	<u>7,013</u>
Ending net position	<u>\$ 3,454</u>	<u>\$ 3,418</u>	<u>\$ 3,306</u>	<u>\$ 3,326</u>	<u>\$ 6,760</u>	<u>\$ 6,744</u>

The increase in the primary government net position between 2013 and 2012 largely relates to increases in capital grants, sales and use tax and utility revenue.

## **Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

### **Reporting the Town's Most Significant Funds**

Our analysis of the Town's major funds begins on page 15 with the fund financial statements that provide detailed information about the most significant funds and not the Town as a whole. Some funds are required to be established by state law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

**Governmental funds**—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities, reported in the Statement of Net position and the Statement of Activities, and governmental funds are described in a reconciliation to the financial statements. The governmental major funds presentation (Exhibits A-2 and A-4) is presented using the modified accrual basis of accounting and focuses on the major funds of the Town.

**Proprietary funds**—When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we report in the government-wide statements but more detail and additional information, such as cash flows, is provided for proprietary funds.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's major funds.

Certain supplementary financial information can be found in the statistical information (Pages S-1 through S-5). This information is included for additional information and analysis and does not constitute a part of the basic financial statements.

### **Financial Analysis of the Government's Funds**

The general government operations of the Town are accounted for in the General Fund and Special Revenue Fund entitled the Fire Protection Fund. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2013 and 2012 by fund type:

	(in thousands)			
	2013		2012	
	General	Special		
	Fund	Revenue Fund	Totals	Totals
Revenues	\$ 1,311	\$ 197	\$ 1,508	\$ 1,180
Expenditures	<u>1,056</u>	<u>194</u>	<u>1,250</u>	<u>1,010</u>
Net change in fund balance	255	3	258	170
Beginning of year	<u>1,996</u>	<u>97</u>	<u>2,093</u>	<u>1,923</u>
Ending of year	<u><u>\$ 2,251</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 2,351</u></u>	<u><u>\$ 2,093</u></u>

The Town's governmental funds experienced an increase in fund balance of \$255,000 during 2013, primarily due to an increase in intergovernmental revenue. At year end, fund balances were approximately \$2.3 million. Approximately \$100,000 has been restricted for funding fire protection activities. Of the remaining \$2.2 million of the fund balance, \$1.3 million is unassigned and available for utilization at the Town's discretion. This portion of the fund balance is in the General Fund.

The General Fund is the chief operating fund of the Town. At the end of the 2013 fiscal year the General Fund's total assets were approximately \$2.2 million, of which \$914,000 is cash and cash equivalents. During 2013, fund balance of the General Fund increased by approximately \$255,000 compared to September 30, 2012. This variation is primarily due to capital outlay being approximately \$900,000 less than budget for the year.

The Town's other major fund is the Fire Protection Fund. There was no significant change in operations or fund balance from the prior year.

Sources of governmental revenues excluding other financing sources are summarized below.

<u>Source of Revenue</u>	(in thousands)			
	2013		2012	
	<u>Revenue</u>	<u>Percent</u>	<u>Revenue</u>	<u>Percent</u>
Taxes	\$ 1,350	92%	\$ 1,101	93%
Licenses and permits	49	3%	45	4%
Intergovernmental	26	2%	8	1%
Miscellaneous	37	3%	26	2%
Total	<u>\$ 1,462</u>	<u>100%</u>	<u>\$ 1,180</u>	<u>100%</u>

Revenues of the primary government for general governmental fund types for 2013 totaled \$1,462,000, compared with \$1,180,000 for 2012. The most significant increases were in taxes of \$249,000 and intergovernmental revenues of \$18,000.

Expenditures of the primary government increased by approximately \$240,000 in 2013. Expenditures for general governmental functions for each major function are summarized in the following table.

<u>Function</u>	(in thousands)			
	2013		2012	
	<u>Expenditure</u>	<u>Percent</u>	<u>Expenditure</u>	<u>Percent</u>
General government	\$ 330	26%	\$ 299	30%
Public safety	466	38%	389	38%
Roads and streets	324	26%	268	27%
Capital outlay	102	8%	32	3%
Debt service	28	2%	22	2%
Total	<u>\$ 1,250</u>	<u>100%</u>	<u>\$ 1,010</u>	<u>100%</u>

The largest increase in spending of \$77,000 was related to an increase in public safety expenditures. The Town's capital outlay expenditures also increased by \$70,000 during 2013, as the Town purchased two police vehicles and constructed a parking lot.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Town's General Fund budget was amended on one occasion. The amendment of the operating and capital budgets is a customary practice of the Town and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2013 were

- To reflect a increase in sales and use tax by \$70,000 for anticipated to receive during the year,
- An increase in insurance premium by \$13,000 for expected collections during the year,
- An increase in intergovernmental revenue by \$737,000 expected to receive during the year,
- To decrease public safety expenditures by \$68,000 not expected to be expected during the year,
- To decrease roads and streets expenditures by \$43,000 not expected to be expected during the year, and
- To reflect increase capital outlay expenditures by \$495,000 expected to be expended during 2013.

With these adjustments, the actual changes to appropriations (expenditures) were \$871,000 less than the related final budget appropriations of \$1.9 million, primarily due to less than expected expenditure for public safety, roads and streets, and capital outlay.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2013 the Town had \$7.2 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, roads, and utility systems. This amount represents a net increase of approximately \$172,000, or 2%, over last year and is related primarily equipment purchases and capital projects net of current year depreciation. The Town's capital assets, net of depreciation, at September 30, 2013 were as follows:

	Governmental Activities	Business-type Activities	Totals
Land	\$ 166	\$ 9	\$ 175
Buildings	60	2	62
Equipment and vehicles	650	146	796
Utility plant	-	5,338	5,338
Infrastructure	471	-	471
Construction in progress	-	413	413
Total assets, net of depreciation	<u>\$ 1,347</u>	<u>\$ 5,908</u>	<u>\$ 7,255</u>

The Town's final 2013 capital outlay budget provided for expenditures of \$983,000, primarily for equipment purchases and facility and street improvements. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

### **Debt**

At year-end the Town had approximately \$2.2 million in long-term debt outstanding, comparable to the previous year, as shown below:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Revenue bonds	\$ 1,859,915	\$ 900,000	\$ (920,716)	\$ 1,839,199
General obligation debt:				
Claims payable	60,184	-	-	60,184
Capital leases	115,635	223,316	(35,019)	303,932
Note Payable	22,632	-	(16,842)	5,790
	<u>2,058,366</u>	<u>1,123,316</u>	<u>(972,577)</u>	<u>2,209,105</u>
Total	<u>\$ 2,058,366</u>	<u>\$ 1,123,316</u>	<u>\$ (972,577)</u>	<u>\$ 2,209,105</u>

The state of Louisiana limits the amount of general obligation debt that municipalities can issue to 35% of the assessed value of all taxable property within the Town's corporate limits. The Town's outstanding general obligation debt of \$60,184 is significantly below this \$1.4 million state-imposed limit. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Town's elected and appointed officials considered many factors when setting the 2014 fiscal year budget and tax rates, including the national and state economies. The largest taxpayers in the Town are primarily companies involved in the oil refining and petrochemical processing sectors which are located throughout Iberville Parish. The spending activities of these industries can significantly impact the Town's sales and use tax revenues.

A second important factor affecting the budget is the Town's sales tax collections, which are approximately 77% of total budgeted revenues. The Town believes that sales tax revenues should be relatively flat by comparison in 2014. The 2014 operating budget expenditures are projected to increase for the public safety and general government functions of the Town. For 2014, revenues are budgeted at \$1.3 million while expenditures are expected to be \$1.4 million. If these estimates are realized, the Town's budgetary fund balance of the General Fund is expected to decrease by approximately \$147,000 at the close of the 2014 fiscal year.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Town's Finance Office at (225) 625-2630 or P.O. Box 10, Maringouin, Louisiana, 70757.

**TOWN OF MARINGOUIN, LOUISIANA**  
**STATEMENT OF NET POSITION**

September 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,004,948	\$ 177,361	\$ 1,182,309
Investments	232,886	146,134	379,020
Accounts receivable, net	13,971	55,877	69,848
Grants receivable	-	11,611	11,611
Due from other government	192,564	105,508	298,072
Internal balances	968,312	(968,312)	-
Restricted assets	-	291,820	291,820
Capital assets:			
Non-depreciable	165,515	422,098	587,613
Depreciable, net	1,180,844	5,486,061	6,666,905
Total assets	<u>\$ 3,759,040</u>	<u>\$ 5,728,158</u>	<u>\$ 9,487,198</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 44,764	\$ 59,638	\$ 104,402
Contracts payable	-	291,808	291,808
Accrued expenses	18,599	11,799	30,398
Customer deposits	-	91,629	91,629
Noncurrent liabilities:			
Due within one year	89,856	81,538	171,394
Due in more than one year	151,076	1,886,635	2,037,711
Total liabilities	<u>304,295</u>	<u>2,423,047</u>	<u>2,727,342</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,105,427	3,939,986	5,045,413
Restricted for:			
Debt service	-	200,191	200,191
Fire protection	100,157	-	100,157
Unrestricted (deficit)	2,249,161	(835,066)	1,414,095
Total net position	<u>3,454,745</u>	<u>3,305,111</u>	<u>6,759,856</u>
Total liabilities and net position	<u>\$ 3,759,040</u>	<u>\$ 5,728,158</u>	<u>\$ 9,487,198</u>

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF MARINGOUIN, LOUISIANA**  
**STATEMENT OF ACTIVITIES**

For the year ended September 30, 2013

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 386,390	\$ 48,983	\$ -	\$ 26,314	\$ (311,093)	\$ -
Public safety:						
Police	367,525	17,366	-	-	(350,159)	-
Fire	304,041	-	-	-	(304,041)	-
Roads and streets	408,557	-	-	-	(408,557)	-
Interest on long-term debt	5,419	-	-	-	(5,419)	-
Total governmental activities	<u>1,471,932</u>	<u>66,349</u>	<u>-</u>	<u>26,314</u>	<u>(1,379,269)</u>	<u>-</u>
Business-type activities:						
Utility operations	<u>1,063,202</u>	<u>722,551</u>	<u>-</u>	<u>318,511</u>	<u>-</u>	<u>(22,140)</u>
Total primary government	<u>\$ 2,535,134</u>	<u>\$ 788,900</u>	<u>\$ -</u>	<u>\$ 344,825</u>	<u>(1,379,269)</u>	<u>(22,140)</u>
General revenues:						
Taxes:						
Sales and use					1,289,450	-
Insurance premium					42,366	-
Ad valorem					17,587	-
Other					862	-
Grants and contributions not restricted to specific programs					15,973	-
Investment earnings					4,048	1,213
Gain on sale of capital assets					45,697	311
Total general revenues					<u>1,415,983</u>	<u>1,524</u>
Change in net position					36,714	(20,616)
Net position - beginning of year					<u>3,418,031</u>	<u>3,325,727</u>
Net position - end of year					<u>\$ 3,454,745</u>	<u>\$ 3,305,111</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF MARINGOUIN, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2013

	<b>General Fund</b>	<b>Fire Protection Fund</b>	<b>Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 914,173	\$ 90,775	\$ 1,004,948
Investments	232,886	-	232,886
Accounts receivable, net	13,971	-	13,971
Due from other funds	968,312	-	968,312
Due from other government	180,094	12,470	192,564
<b>Total assets</b>	<b>\$ 2,309,436</b>	<b>\$ 103,245</b>	<b>\$ 2,412,681</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 41,676	\$ 3,088	\$ 44,764
Accrued expenses	16,723	-	16,723
<b>Total liabilities</b>	<b>58,399</b>	<b>3,088</b>	<b>61,487</b>
<b>FUND BALANCE</b>			
Unassigned	968,312	-	968,312
Restricted for fire protection	-	100,157	100,157
Unassigned	1,282,725	-	1,282,725
<b>Total fund balance</b>	<b>2,251,037</b>	<b>100,157</b>	<b>2,351,194</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,309,436</b>	<b>\$ 103,245</b>	<b>\$ 2,412,681</b>

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF MARINGOUIN, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**

September 30, 2013

Total fund balances - governmental funds (Exhibit A-2) \$ 2,351,194

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds 1,346,359

Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Capital leases (180,748)

Claims payable (60,184)

Accrued interest (1,876)

(242,808)

Net position of governmental activities (Exhibit A) \$ 3,454,745

## TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

For the year ended September 30, 2013

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Total Governmental</u>
<b>REVENUES</b>			
Taxes:			
Sales and use	\$ 1,141,709	\$ 147,741	\$ 1,289,450
Insurance premium	42,366	-	42,366
Ad valorem	17,587	-	17,587
Other	862	-	862
Licenses and permits	48,983	-	48,983
Fines	17,366	-	17,366
Intergovernmental	26,314	-	26,314
Investment earnings	4,048	-	4,048
Miscellaneous	<u>11,707</u>	<u>4,266</u>	<u>15,973</u>
Total revenues	<u>1,310,942</u>	<u>152,007</u>	<u>1,462,949</u>
<b>EXPENDITURES</b>			
Current function:			
General government	330,080	-	330,080
Public safety:			
Police	347,663	-	347,663
Fire	-	119,245	119,245
Roads and streets	323,567	-	323,567
Debt service	5,752	22,052	27,804
Capital outlay	<u>49,033</u>	<u>53,147</u>	<u>102,180</u>
Total expenditures	<u>1,056,095</u>	<u>194,444</u>	<u>1,250,539</u>
Excess (deficiency) of revenues over expenditures	254,847	(42,437)	212,410
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	<u>510</u>	<u>45,187</u>	<u>45,697</u>
Net change in fund balance	255,357	2,750	258,107
<b>FUND BALANCE</b>			
Beginning of year	<u>1,995,680</u>	<u>97,407</u>	<u>2,093,087</u>
End of year	<u>\$ 2,251,037</u>	<u>\$ 100,157</u>	<u>\$ 2,351,194</u>

Notes on Exhibit A-9 are an integral part of this statement.

# TOWN OF MARINGOUIN, LOUISIANA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2013

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 258,107

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	\$	102,180	
Asset acquired through capital lease		87,259	
Depreciation and amortization expense		(345,958)	(156,519)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Debt incurred by capital lease		(87,259)	
Principal payments on debt		22,146	(65,113)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest expense			239
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Change in net position of governmental activities (Exhibit A-1) \$ 36,714

**TOWN OF MARINGOUIN, LOUISIANA**  
**PROPRIETARY FUND - PUBLIC UTILITY FUND**

**STATEMENT OF NET POSITION**

September 30, 2013

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 177,361
Investments	146,134
Accounts receivable, net	55,877
Grants receivable	11,611
Due from other governments	105,508
Restricted assets	<u>291,820</u>
Total current assets	788,311

Noncurrent asset:

Capital assets:

Non-depreciable	422,098
Depreciable, net	<u>5,486,061</u>
Total assets	<u><u>\$ 6,696,470</u></u>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 59,638
Contracts payable	291,808
Accrued expenses	11,799
Customer deposits	91,629
Due to other funds	968,312
Current portion of long-term debt	<u>81,538</u>

Total current liabilities	1,504,724
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Long-term debt	<u>1,886,635</u>
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Total liabilities	<u>3,391,359</u>
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**NET POSITION**

Net investments in capital assets	3,939,986
Restricted for debt service	200,191
Unrestricted (deficit)	<u>(835,066)</u>
Total net position	<u>3,305,111</u>
Total liabilities and net position	<u><u>\$ 6,696,470</u></u>

**TOWN OF MARINGOUIN, LOUISIANA**  
**PROPRIETARY FUND - PUBLIC UTILITY FUND**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

For the year ended September 30, 2013

**OPERATING REVENUES**

Charges for services:

Gas sales	\$ 262,906
Water sales	280,108
Sewer user fees	131,053
Other	<u>48,484</u>

Total operating revenues	<u>722,551</u>
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**OPERATING EXPENSES**

Personnel	264,845
Depreciation and amortization	259,268
Repairs and maintenance	187,599
Gas purchases	141,214
Professional services	83,514
Utilities	33,869
Insurance	17,046
Billing supplies	8,737
Other	<u>934</u>

Total operating expenses	<u>997,026</u>
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Operating loss	<u>(274,475)</u>
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**NONOPERATING**

Gain on sale of capital assets	311
Interest income	1,213
Interest expense	<u>(66,176)</u>

Total nonoperating, net	<u>(64,652)</u>
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Loss before capital grants	(339,127)
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<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>318,511</u>
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Net loss	(20,616)
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**NET POSITION**

Beginning of year	<u>3,325,727</u>
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End of year	<u><u>\$ 3,305,111</u></u>
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**TOWN OF MARINGOUIN, LOUISIANA  
PROPRIETARY FUND - UTILITY FUND**

**STATEMENT OF CASH FLOWS**

For the year ended September 30, 2013

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 582,766
Payments to suppliers	(444,126)
Payments to employees	(259,108)
Net cash used by operating activities	<u>(120,468)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Changes in customer meter deposits and restricted cash	48,620
Proceeds of loans due to other funds	203,312
Net cash provided by noncapital financing activities	<u>251,932</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	318,511
Proceeds from issuance of debt	900,000
Proceeds from sale of capital assets	311
Capital asset additions	(159,618)
Principal paid on long-term debt	(950,431)
Interest paid on long-term debt	(66,176)
Net cash used for capital and related financing activities	<u>42,597</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Increase in investments	(1,436)
Interest income	1,213
Net cash used by investing activities	<u>(223)</u>
Net increase in cash	173,838

**CASH**

Beginning of period	<u>3,523</u>
End of period	<u>\$ 177,361</u>

**RECONCILIATION OF OPERATING LOSS TO**

**NET CASH USED FOR OPERATING ACTIVITIES:**

Operating loss	\$ (274,475)
Adjustments of operating income:	
Decrease to allowance for doubtful accounts	(125,354)
Depreciation and amortization	259,268
Change in operating assets and liabilities:	
Accounts receivable	(14,431)
Accounts payable and accrued liabilities	34,524
Net cash used by operating activities	<u>\$ (120,468)</u>

**NON-CASH ACTIVITIES**

Borrowing under capital lease	136,057
Purchase of equipment on account	<u>(136,057)</u>
Net non-cash activities	<u>\$ -</u>

Notes on Exhibit A-9 are an integral part of this statement.

## **TOWN OF MARINGOUIN, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2013

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement Presentation**

The financial statements of the Town of Maringouin, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

In June 1999 the GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34). Certain of the significant changes in the Statement include the following:

- Providing a Management’s Discussion and Analysis (MD&A) section which includes an analysis of the Town’s overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the Town’s activities; and
- A change in the fund financial statements to focus on the major funds.

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net position by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in the statement of net position.

##### **Reporting Entity**

For reporting purposes the Town of Maringouin, as the municipal governing authority, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Town of Maringouin for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Maringouin and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

**Basis of Presentation**

The Town's basic financial statements consist of the government-wide statements of the primary government (the Town) and the fund financial statements (individual major funds and combined non-major funds). In 2013, there were no non-major funds. The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the Town.

*Governmental activities* generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

*Business-type activities* are financed in whole or part by fees charged to external parties for utility services provided. The Town's utility services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB 34. Emphasis is now on the major funds in either the governmental or business-type categories. Nonmajor funds (by category or fund type) are summarized into a single column.

The daily operations of the Town continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (continued)**

Also, the Town may elect to treat any fund as a major fund that may not meet the above criteria. The Town considers the General Fund and Fire Protection special revenue fund major funds.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described below.

***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused on changes in financial position rather than net income. The following are the governmental fund types of the Town:

***General Fund*** - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

***Special Revenue Funds*** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Town has elected to treat the Fire Protection Fund, a special revenue fund, as a major fund.

***Debt Service Funds*** - Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The Town has no debt service funds.

***Capital Projects Funds*** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The Town has no capital projects funds.

***Proprietary Fund Types***

***Enterprise Funds*** - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund, the Utility Fund, is considered a major fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (continued)**

***Proprietary Fund Types (continued)***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Basis of Accounting and Measurement Focus**

***Government-wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property (Ad Valorem) taxes are recognized in the year for which they are levied.

***Fund Financial Statements***

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, include sales and use taxes, ad valorem taxes, and federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (continued)**

***Fund Financial Statements (continued)***

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments, which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

**Cash and Cash Equivalents**

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as investments.

Consolidated bank accounts have been established for the Town into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" are therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its pro rata share of investments made through the investment of excess cash.

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town invests funds in accordance with La. R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully-collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town utilizes the Louisiana Asset Management Pool to invest idle funds.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. See Note 2.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. For governmental activities uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$38,667 was recorded at September 30, 2013.

**Inventories**

The Town does not record any inventories of materials or supplies. These items are recorded as expenditures when purchased rather than when consumed. Materials and supplies on hand at year end are not considered material and, accordingly, the failure to record such inventories is not considered to be a significant departure from generally accepted accounting principles.

**Interfund Receivables and Payables**

During the course of operations transactions may occur between individual funds. Those related to short-term borrowings are classified as "Due from other funds" or "Due to other funds" on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Capital Assets**

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized upon completion of the construction projects.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB 34 the infrastructure assets of the Town's governmental funds were capitalized but not depreciated. These assets are comprised of the streets maintained by the Town and have been valued at historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is recorded over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Utility system	13-40 years
Buildings and structures	15-25 years
Equipment and Vehicles	5-10 years
Infrastructure	20 years

***Fund Financial Statements***

In the fund financial statements capital acquisition and construction costs used in governmental fund operations are not capitalized and depreciated, but instead are reflected as expenditures in the governmental funds.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

**Capitalized Interest**

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. The Town has capitalized \$38,800 in interest costs associated with sewer improvements in prior years.

**Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-term Debt (continued)**

In the government-wide statement of net position and in the proprietary fund financial statements, long-term debt is reported as a liability. The long-term debt consists primarily of utility revenue bonds and certificates of indebtedness for public improvements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Instead, the debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements. The Town is not obligated for any special assessment debt.

**Compensated Absences**

GASB Statement No. 16 provides that vacation leave should be accrued as a liability as the benefits are earned if (1) the rights to receive the compensation are attributable to services already rendered and, (2) it is probable that the employee will be compensated through paid time off or cash payment upon termination or retirement. Permanent, full-time employees earn annual leave on the anniversary date of their employment based upon years of service. Such leave may not carry over or accumulate from one anniversary date to another. Additionally, since vacation leave is not paid upon retirement or termination, there is no accrual of the liability for unused vacation leave.

GASB Statement No. 16 requires the accrual for sick leave to the extent it is probable that benefits will be paid in cash upon termination or retirement rather than as payments for absences due to illness or other contingency. Sick leave is earned at the rate of one day per month to a maximum of ten days per year, and no more than thirty days may be accumulated at any time. Policy provides that sick leave is paid only for designated absences and that no payment for accrued sick leave is made upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

**Government-wide and Proprietary Fund Net Position**

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted - consist of net position that is restricted by the Town's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable**—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted**—Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed**—Amounts that can be used only for specific purposes determined by a formal action by Town Council ordinance or resolution. This includes the budget reserves.
- **Assigned**—Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- **Unassigned**—All amounts not included in other spendable classifications.

**Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

**Interfund Transfers**

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. No transfers have been made by the Town.

**Budget Policies and Budgetary Accounting**

The Town follows the following procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk and Mayor prepare a proposed budget and submit it to the Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection and the date, time, and location of the public hearing concerning the budget.
3. A public hearing is held on the proposed budget at least ten days following publication of the call for the hearing.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget Policies and Budgetary Accounting (continued)**

4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated require approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented are as originally adopted or as amended from time to time by the Town Council. Such amendments were not material in relation to the original appropriation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

**NOTE 2 - CASH AND INVESTMENTS**

The Town may invest in the United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2013, the Town's deposits were not exposed to any custodial risk.

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

As of September 30, 2013, the town had a balance of \$428,546 invested in Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955 that operates in conformity with Rule 2a7 of the Securities and Exchange Commission that governs the accounting practice of investment pools.

LAMP is an investment pool with the following characteristics:

- The value of the portfolio is carried at amortized cost.
- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Investment by the Town in the LAMP pool is considered unclassified as to credit risk provided by GASB Codification Section 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book form.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Restricted Cash and Investments**

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note 6. The following is a schedule of restricted cash and investment balances at September 30, 2013:

<u>Proprietary Fund</u>	<u>Amount</u>
Customer deposits	\$ 91,629
Debt service	<u>200,191</u>
Total	<u>\$ 291,820</u>

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2013, consists of amounts due from the Parish of Iberville for sales tax of \$192,564 and \$105,508 from the Louisiana Department of Environmental Quality for construction projects.

**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7, Section 18) provided that land and improvements for residential purposes are to be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (La. R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

**NOTE 4 - AD VALOREM TAXES (CONTINUED)**

The property tax calendar is as follows:

Millage rates adopted	August 2, 2012
Levy date	August 2, 2012
Due date	December 31, 2012
Lien date	January 1, 2012
Collection dates	December 1, 2012 to February 28, 2013

For the year ended September 30, 2013 taxes of 4.22 mills were levied for general government and public purposes on property with assessed valuations totaling \$4,208,530. Total taxes levied and collected were \$17,759 and \$17,587, respectively. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

(Continued)

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 165,515	\$ -	\$ -	\$ 165,515
<b>Capital assets being depreciated:</b>				
Buildings and improvements	553,905	27,104	-	581,009
Equipment and vehicles	2,113,660	162,335	285,396	1,990,599
Infrastructure	1,295,787	-	-	1,295,787
Total capital assets being depreciated	3,963,352	189,439	285,396	3,867,395
Less accumulated depreciation for:				
Buildings and improvements	510,720	10,658	-	521,378
Equipment and vehicles	1,357,926	268,062	285,396	1,340,592
Infrastructure	757,343	67,238	-	824,581
Total accumulated depreciation	2,625,989	345,958	285,396	2,686,551
Total capital assets, being depreciated, net	1,337,363	(156,519)	-	1,180,844
Governmental activities capital assets, net	\$ 1,502,878	\$ (156,519)	\$ -	\$ 1,346,359
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 8,852	\$ -	\$ -	\$ 8,852
Construction in progress	-	413,246	-	413,246
Total capital assets not being depreciated	8,852	413,246	-	422,098
<b>Capital assets being depreciated:</b>				
Utility plant	8,509,143	36,959	-	8,546,102
Buildings	24,922	-	-	24,922
Equipment and vehicles	387,069	137,279	23,193	501,155
Total capital assets being depreciated	8,921,134	174,238	23,193	9,072,179
Less accumulated depreciation for:				
Utility plant	2,999,985	208,121	-	3,208,106
Buildings	21,587	1,026	-	22,613
Equipment and vehicles	328,470	50,122	23,193	355,399
Total accumulated depreciation	3,350,042	259,269	23,193	3,586,118
Total capital assets being depreciated, net	5,571,092	(85,031)	-	5,486,061
Business-type activities capital assets, net	\$ 5,579,944	\$ 328,215	\$ -	\$ 5,908,159

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the primary government as follows:

General government	\$	56,310
Police		19,862
Fire		184,795
Road and streets		<u>84,990</u>
Total depreciation expense - governmental activities	\$	<u>345,958</u>

During the year ended September 30, 2008, the Town signed a capital lease for a fire apparatus. The amount of this lease was \$178,947, and the corresponding accumulated amortization on the lease is \$178,947 at September 30, 2013. During the year ending September 30, 2013, the Town signed a capital lease for various equipment used in the governmental activities. The total amount of the capital lease was \$87,259, and the corresponding accumulated amortization of the lease is \$7,272, at September 30, 2013.

During the year ending September 30, 2013, the Town signed three capital leases for various equipment used in the business-type activities. The total amount of the capital leases was \$136,057, and the corresponding accumulated amortization on the leases is \$21,511, at September 30, 2013.

(Continued)

**NOTE 6 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of debt transactions of the Town for the year ended September 30, 2013:

	Balance 9/30/2012	Additions	Reductions	Balance 9/30/2013	Due within One Year
<b>Governmental activities:</b>					
Claims payable	\$ 60,184	\$ -	\$ -	\$ 60,184	\$ 60,184
Capital leases	<u>115,635</u>	<u>87,259</u>	<u>(22,146)</u>	<u>180,748</u>	<u>29,672</u>
Total governmental	<u>\$ 175,819</u>	<u>\$ 87,259</u>	<u>\$ (22,146)</u>	<u>\$ 240,932</u>	<u>\$ 89,856</u>
<b>Business-type activities:</b>					
1995 Waterworks Revenue Bond	\$ 904,858	\$ -	\$ (904,858)	\$ -	\$ -
2000 Sewer System Revenue Bond	469,122	-	(8,564)	460,558	9,043
2005 Sewer Revenue Bond	485,935	-	(7,294)	478,641	7,551
2013 Water Revenue Refunding Bond	-	900,000	-	900,000	41,000
Note Payable	22,632	-	(16,842)	5,790	5,790
Capital Leases	<u>-</u>	<u>136,057</u>	<u>(12,873)</u>	<u>123,184</u>	<u>18,154</u>
Total business-type	<u>1,882,547</u>	<u>1,036,057</u>	<u>(950,431)</u>	<u>1,968,173</u>	<u>81,538</u>
Total long-term debt	<u>\$ 2,058,366</u>	<u>\$ 1,123,316</u>	<u>\$ (972,577)</u>	<u>\$ 2,209,105</u>	<u>\$ 171,394</u>

(Continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Long-term debt obligations for the primary government at September 30, 2013, are comprised of the following:

**Governmental Activities**

Claims payable- FEMA (see Note 12)	\$ 60,184
Capital lease payable in monthly payments of \$1,150, maturing April 2020, bearing interest of 2.93%, collateralized by a equipment.	82,551
Capital lease payable in 10 annual payments of \$22,052, maturing April 2018, bearing interest of 4%, collateralized by a vehicle.	<u>98,197</u>
Total long-term debt from governmental activities	<u>\$ 240,932</u>

**Enterprise Fund**

Revenue Bonds:

\$900,000 Water Revenue Bonds secured by a pledge and dedication of sewer revenues, due in annual installments of various amounts through Janurary 1, 2031; interest at 3.38%.	\$ 900,000
\$543,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,465 through August 23, 2040; interest at 4.5%.	460,558
\$525,000 Bond Anticipation Note secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,263 through April 23, 2045; interest at 4.12%.	478,641
Note payable in 60 monthly payments of \$1,460, maturing January 2014, bearing interest of 4.5%, collateralized by equipment.	5,790
Capital Leases:	
Capital lease payable in monthly payments of \$938, maturing December 2019, bearing interest of 2.93%, collateralized by a equipment.	64,232

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Enterprise Fund (continued)**

**Capital Leases (continued):**

Capital lease payable in monthly payments of \$886, maturing November 2019, bearing interest of 2.93%, collateralized by a equipment.	\$ 46,377
Capital lease payable in monthly payments of \$169, maturing July 2020, bearing interest of 2.93%, collateralized by a equipment.	<u>12,575</u>
Total long-term debt from business-type activities	<u>\$ 1,968,173</u>

**Bond Restrictions**

**2000 Sewer Revenue Bond**

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Sewer Revenue Bond and Interest Sinking Funds require monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$45,571.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$237. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$30,703.
4. The Sewer Contingency Fund requires monthly transfers of \$237. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$30,703.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**2013 Water Revenue Refunding Bond**

In accordance with the indenture governing Water Revenue Refunding Bonds, Series 2013, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Water Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Funds require monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$56,780.
3. The Water Reserve Fund required a deposit equal to the highest combined principal and interest falling due in any year. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$34,699.
4. The Water Depreciation and Contingency Fund require monthly transfers of \$315. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Water Revenue Bond Fund or Water Revenue Bond Reserve Fund. The current balance of the fund is \$1,735.

The Town of Maringouin has complied with the above conditions.

The annual requirements to amortize outstanding debt principal and interest as of September 30, 2013 are as follows:

Year Ending 9/30/2013	<u>Governmental Activities</u>	
	Capital Leases	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 29,672	\$ 3,918
2015	30,737	3,195
2016	31,843	2,442
2017	32,989	1,660
2018	34,177	846
2019-2020	<u>21,330</u>	<u>525</u>
	<u>\$ 180,748</u>	<u>\$ 12,586</u>

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Year ending 9/30/2013	Business-type Activities			
	Note Payable		Capital Leases	
	Principal	Interest	Principal	Interest
2014	\$ 5,790	\$ 49	\$ 18,154	\$ 3,369
2015	-	-	18,694	2,830
2016	-	-	19,249	2,274
2017	-	-	19,821	1,702
2018	-	-	20,410	1,113
2019-2023	-	-	26,856	548
2024-2028	-	-	-	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2045	-	-	-	-
	<u>\$ 5,790</u>	<u>\$ 49</u>	<u>\$ 123,184</u>	<u>\$ 11,836</u>

Year ending 9/30/2013	Business-type Activities (continued)			
	Sewer Revenue Bond		Total Business-type Long-term debt	
	Principal	Interest	Principal	Interest
2014	\$ 63,383	\$ 69,924	\$ 87,327	\$ 73,342
2015	56,326	67,790	75,020	70,620
2016	58,091	65,690	77,340	67,964
2017	59,891	63,521	79,712	65,223
2018	63,725	61,250	84,135	62,363
2019-2023	351,495	268,970	378,351	269,518
2024-2028	421,651	197,848	421,651	197,848
2029-2033	347,379	118,650	347,379	118,650
2034-2038	215,270	68,408	215,270	68,408
2039-2043	167,337	21,107	167,337	21,107
2044-2045	34,651	1,376	34,651	1,376
	<u>\$1,839,199</u>	<u>\$1,004,534</u>	<u>\$1,968,173</u>	<u>\$1,016,419</u>

Interest incurred and expensed for the year ended September 30, 2013 is \$66,174.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Advance Refunding**

On January 24, 2013, the Town issued \$900,000 in water revenue refunding bonds with an interest rate of 3.38% to advance refund \$899,507 in outstanding general obligations bonds accounted for as business-type activities with an interest rate of 5.62%. The refunding was undertaken to take advantage of favorable interest rates. The cash flow requirement of the refunded bonds, prior to the refunding, was \$1,546,701 from February 27, 2013 to May 27, 2034. The cash flow requirements of the water revenue refunding bonds are \$1,208,218 for the same period. The advance refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$13,771.

**NOTE 7 - PENSION PLAN**

**State of Louisiana Municipal Employees' Retirement System**

*Plan Description* – Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100% of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 18.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by La. R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

**NOTE 7 - PENSION PLAN (CONTINUED)**

The Town's contributions to the system under Plan A for the years ended September 30, 2013, 2012 and 2011 were approximately \$51,800, \$46,100 and \$37,100, respectively, which were equal to the required contributions for each year.

**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND OPERATING TRANSFERS**

As of September 30, 2013, the Public Utility Fund owed the General Fund \$968,312. There were no operating transfers between funds in the 2013 fiscal year.

**NOTE 9 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Expenditures Exceeding Appropriations**

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

	<u>Revised Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess (over)/under Budget</u>
<b>Governmental Funds:</b>			
General Fund:			
General Government	\$ 303,054	\$ 330,080	\$ (27,026)
Roads and streets	308,567	323,567	(15,000)
Capital outlay	-	5,752	(5,752)
Fire Protection Fund:			
Public safety - fire	112,800	119,245	(6,445)
Capital outlay	30,800	53,147	(22,347)

**NOTE 10 - COMPENSATION TO GOVERNING BODY**

The following is a schedule of payments to the council members in fiscal 2013:

<u>Mayor</u>	<u>Compensation</u>
John Overton	\$ 15,800
 <u>Council Members</u>	
Kirkland Anderson	8,600
Demi Vorise	8,600
Sam W. Watson	8,600
Edward James, Jr.	8,600
Clarence D. Wiley	8,600
	<u>\$ 58,800</u>

## **NOTE 12 - COMMITMENTS AND CONTINGENCIES**

### **Suits and Claims**

Various suits and claims arising in the ordinary course of operations are pending against the Town. The majority of the cases are either covered by insurance or other defenses, however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Town's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town.

### **Risk Management**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past five years.

### **Grants**

As a result of a prior federal audit conducted by the Office of the Inspector General, the Federal Emergency Management Agency has determined that \$60,184 in costs claimed by the Town for disaster clean up were either not allowable or were not supported. This liability has been recorded as long-term debt and is potentially payable from current general government resources. The Town has received other federal and state grants for specific purposes that are subject to review by the grantor agencies. Reviews of these programs could lead to requests for reimbursement by grantor agencies for costs, if any, that might be disallowed under the terms of the grant. Management believes that the amount of such disallowed costs, if any, would not be material.

### **Construction Contracts**

At September 30, 2013, the Town had outstanding commitments resulting from the construction contracts in progress of \$362,500, of which \$312,749 has been accrued as contracts payable at September 30, 2013.

## **NOTE 13 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through the date of the auditors' report, the date the financial statements were available to be issued.

**TOWN OF MARINGOUIN, LOUISIANA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes:				
Sales and use	\$ 1,080,000	\$ 1,150,000	\$ 1,141,709	\$ (8,291)
Insurance premium	22,000	35,000	42,366	7,366
Ad valorem	16,000	16,000	17,587	1,587
Other	1,000	1,300	862	(438)
Licenses and permits	54,000	53,000	48,983	(4,017)
Fines	15,000	13,900	17,366	3,466
Intergovernmental	55,000	792,000	26,314	(765,686)
Investment earnings	8,500	4,600	4,048	(552)
Miscellaneous	<u>7,850</u>	<u>39,350</u>	<u>11,707</u>	<u>(27,643)</u>
Total revenues	<u>1,259,350</u>	<u>2,105,150</u>	<u>1,310,942</u>	<u>(794,208)</u>
<b>EXPENDITURES</b>				
Current function:				
General government	311,415	303,054	330,080	(27,026)
Public safety - police	401,705	332,870	347,663	(14,793)
Roads and streets	351,778	308,567	323,567	(15,000)
Debt service	-	-	5,752	(5,752)
Capital outlay	<u>488,000</u>	<u>983,000</u>	<u>49,033</u>	<u>933,967</u>
Total expenditures	<u>1,552,898</u>	<u>1,927,491</u>	<u>1,056,095</u>	<u>871,396</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (293,548)</u>	<u>\$ 177,659</u>	254,847	<u>\$ 77,188</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from debt	195,000	195,000	-	(195,000)
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>510</u>	<u>510</u>
Total other financing sources	<u>195,000</u>	<u>195,000</u>	<u>510</u>	<u>(194,490)</u>
Net change in fund balance	<u>\$ (98,548)</u>	<u>\$ 372,659</u>	255,357	<u>\$ 77,698</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>1,995,680</u>	
End of year			<u>\$ 2,251,037</u>	

**TOWN OF MARINGOUIN, LOUISIANA**  
**FIRE PROTECTION FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Sales and use tax	\$ 135,000	\$ 135,000	\$ 147,741	\$ 12,741
Miscellaneous	<u>3,500</u>	<u>500</u>	<u>4,266</u>	<u>3,766</u>
Total revenues	<u>138,500</u>	<u>135,500</u>	<u>152,007</u>	<u>16,507</u>
<b>EXPENDITURES</b>				
Current function:				
Public safety - fire	103,000	112,800	119,245	(6,445)
Debt service	22,000	25,000	22,052	2,948
Capital outlay	<u>28,000</u>	<u>30,800</u>	<u>53,147</u>	<u>(22,347)</u>
Total expenditures	<u>153,000</u>	<u>168,600</u>	<u>194,444</u>	<u>(25,844)</u>
Excess of expenditures over revenues and other financing sources	\$ (14,500)	\$ (33,100)	(42,437)	\$ (9,337)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	<u>-</u>	<u>45,000</u>	<u>45,187</u>	<u>(187)</u>
Net change in fund balance	<u>\$ (33,100)</u>	<u>\$ 30,500</u>	<u>2,750</u>	<u>\$ (9,524)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>97,407</u>	
End of year			<u>\$ 100,157</u>	

# TOWN OF MARINGOUIN, LOUISIANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2013

### NOTE 1 - BUDGETS

#### Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

#### Basis of Accounting

All of the Town's budgets are prepared on the accrual basis of accounting as described in Note 1 to the Town's financial statements for the year ended September 30, 2013.

### NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

	<u>Revised</u>	<u>Actual</u>	<u>Excess</u>
	<u>Budget</u>	<u>(GAAP Basis)</u>	<u>(over)/under</u>
			<u>Budget</u>
<b>Governmental Funds:</b>			
General Fund:			
General Government	\$ 303,054	\$ 330,080	\$ (27,026)
Roads and streets	308,567	323,567	(15,000)
Capital outlay	-	5,752	(5,752)
Fire Protection Fund:			
Public safety - fire	112,800	119,245	(6,445)
Capital outlay	30,800	53,147	(22,347)

**TOWN OF MARINGOUIN, LOUISIANA****WATER AND SEWER SYSTEM SCHEDULE**

September 30, 2013  
(Without Audit)

Records maintained by the Town of Maringouin indicated the number of residential and commercial users for both water and sewer systems at September 30, 2013 were as follows:

	<u>Water</u>	<u>Sewer</u>
Residential	1,118	459
Commercial	30	9
Governmental	6	6

At September 30, 2013, the Town was charging the following rates for usage of their water and sewer systems:

Schedule of Water Rates

Residential- inside municipality:

\$8.00- first 2000 gallons (minimum)

\$0.15 per 100 gallons thereafter

Residential- outside municipality:

\$10.00- first 2000 gallons (minimum)

\$0.175 per 100 gallons thereafter

Commercial:

\$25.00- first 2000 gallons (minimum)

\$0.175 per 100 gallons next 8,000 gallons

\$0.15 per 100 gallons thereafter

Schedule of Sewer Rates

Residential:

\$9.00 base rate

\$0.155 per each 100 gallon unit

Commercial:

\$14.00 base rate

\$0.155 per each 100 gallon unit

**TOWN OF MARINGOUIN**

Maringouin, Louisiana

**SCHEDULE OF INSURANCE IN FORCE**September 30, 2013  
(Without Audit)

<b>Issuer</b>	<b>Kind of Insurance</b>	<b>Insurance</b>	<b>Expiration Date</b>
LA Municipal Risk Management Agency	Automobile Liability	\$1,000,000 CSL Bodily Injury and Property Damage	5/1/2014
	Commercial General Liability	\$500,0000 CSL Bodily Injury and Property Damage	5/1/2014
	Errors and Omissions	\$500,0000 CSL Errors and Omissions	5/1/2014
	Law Enforcement Officer	\$500,0000 CSL Personal Injury and Property Damage	5/1/2014

**TOWN OF MARINGOUIN, LOUISIANA**

**SCHEDULE MAYOR AND TOWN COUNCIL**

September 30, 2013  
(Without Audit)

The Town's Mayor and Town Council at September 30, 2013 are as follows:

Mayor John Overton  
Post Office Box 624  
Maringouin, LA 70757  
(225) 625-8785

**Town Council:**

Demi Vorise  
Post Office Box 697  
Maringouin, LA 70757  
(225) 625-2057

Sam W. Watson  
Post Office Box 449  
Maringouin, LA 70757  
(225) 625-4527

Kirkland Anderson  
Post Office Box 684  
Maringouin, LA 70757  
(225) 937-4557

Edward James, Jr.  
Post Office Box 103  
Maringouin, LA 70757  
(225) 625-2642

Clarence D. Wiley  
Post Office Box 391  
Maringouin, LA 70757  
(225) 716-1105

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members  
of the Board of Alderman  
Town of Maringouin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maringouin, Louisiana, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Maringouin, Louisiana's basic financial statements and have issued our report thereon dated March 31, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Maringouin, Louisiana's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting, [2013-01].

## Compliance and other matters

As part of obtaining reasonable assurance about whether the Town of Maringouin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2013-02].

The Town of Maringouin, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Town of Maringouin, Louisiana's responses and, accordingly, we express no opinion on it.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gonzales, Louisiana

March 31, 2014

**TOWN OF MARINGOUIN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND REPSONSES**  
**YEAR ENDED SEPTEMBER 30, 2013**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal Control over Financial Reporting:

- |   |                      |                     |
|---|----------------------|---------------------|
| • Material weakness(es) identified?   | _____ yes            | ___ <b>x</b> ___ no |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | ___ <b>x</b> ___ yes | _____ no            |

Noncompliance material to financial statements noted?	___ <b>x</b> ___ yes	_____ no
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**B. FINDINGS- FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCIES**

**2013-01 Legislative Audit Advisory Services Report**

**Observation:** In March 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of Town operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The unresolved matters outlined in the report relate to the following:

- Utility Customer Accounts
- Purchasing and Disbursements
- Written Policies and Procedures
- Disaster Recovery Plan

The report cited several areas as follows:

**Utility Customer Accounts**

***Reconciliation of the Master Water Meter***

**Condition:** Management has not implemented adequate procedures to report master water meter readings to the town clerk for reconciliation to customer usage.

**Criteria:** The Town Clerk should obtain monthly master meter readings and reconcile to total customer usage to ensure adequate billing.

**Effect:** The Town is unable to determine if water billings to customer agrees to the total usage by town.

**TOWN OF MARINGOIN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND REPSONSES**  
**YEAR ENDED SEPTEMBER 30, 2013**

**B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)**

**2013-01 Legislative Audit Advisory Services Report (continued)**

**Utility Customer Accounts (continued)**

***Reconciliation of the Master Water Meter (continued)***

*Recommendation:* The Town should consider implementing the recommendations made by the Legislative Auditor to develop procedures to ensure that the Town Clerk is provided with adequate monthly master meter readings to reconcile usage to customers' billings.

*Management's corrective action plan:* Town management has developed a written procedure manual to document the standard operating procedures and policies of the Town. The necessary monthly reconciliation process will be included in this manual to assist in providing a clear understanding required procedure for reconciling the master water meter to consumption logs. Management will present this policy to the Town Council during 2014 for adoption.

**Purchasing and Disbursements**

***Purchasing not Centralized***

*Condition:* Purchasing decisions are made after the receipt of the purchase order or without a proper purchase order issued by the Town Clerk.

*Criteria:* Purchase orders are used to document proper authorization of disbursements and also to determine that the fund has adequate resources in the budget to cover the expense.

*Effect:* The Town is exposed to financial hardships and as well as violating state budget laws.

*Recommendation:* All purchases should be supported by approved purchase orders issued by the Town Clerk so that the Town can monitor expenditures from a financial and budgetary standpoint.

*Management's corrective action plan:* Town management has reviewed the procurement processes of the Town as part of the development of a more comprehensive written policy and procedure manual. This manual will assist in providing a clear understanding of the acceptable purchasing procedures that should and will be followed by the Town's personnel.

**TOWN OF MARINGOUIN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND REPSONSES**  
**YEAR ENDED SEPTEMBER 30, 2013**

**B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)**

**2013-01 Legislative Audit Advisory Services Report (continued)**

**Written Policies and Procedures**

*Condition:* The Town's written policies and procedures were not formally adopted by the board of aldermen.

*Criteria:* The board of alderman should review and formally adopt the policies and procedures of the town.

*Effect:* The Town's personnel do not a clear understanding of what should be done, how it should be done, who should do it, and when it should be done. Additionally, management has not reviewed all policies and procedures to ensure they meet their expectations.

*Recommendation:* The City should adhere to the Legislative Auditor's recommendation:

*Management's corrective action plan:* Management has drafted the written policies and procedures as suggested, although they have not been formally adopted by the Town Council. The Town will review this matter during 2014 for resolution, to include conflict of interest considerations.

**Disaster Recovery Plan**

*Condition:* A disaster recovery plan was recommended in the Legislative Auditor's report.

*Criteria:* A written disaster recovery/business continuity plan will provide the steps to be performed to continue town operations in the event of a disaster.

*Effect:* The Town is operating without a tailored disaster recovery/business continuity plan.

*Recommendation:* The Town should consider drafting a disaster recovery plan.

*Management's corrective action plan:* The Town is presently using the Parish wide plan adopted by the Parish of Iberville, which the Town considers sufficient; however, the Town plans has developed and plans to adopt an internal document tailored for specific issues that would confront the Town in the event of a disaster.

**TOWN OF MARINGOUIN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND REPSONSES**  
**YEAR ENDED SEPTEMBER 30, 2013**

**C. NON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2013-02 Louisiana Budget Law**

*Condition:* The Town of Maringouin's General Fund had an unfavorable variance of 41.48% of total actual revenues to budgeted total revenues.

*Criteria:* Louisiana Revised Statute 39:1311A(1-2) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

*Effect:* The negative variances of revenues of more than five percent is a violation of Louisiana Revised State 39:1311A(1-2).

*Recommendation:* The Town of Maringouin shall evaluate budgets during the fiscal year and amend budgets for each applicable fund whose actual revenues and expenditures exceed budgeted revenues and expenditures by 5 percent or more.

*Management's corrective action plan:* The Town budgeted capital grant expenditures and related revenues of \$1,125,000. The project was conducted by the Parish of Iberville, as a result, no direct expenditures were incurred by the Town and therefore related grant revenues were not recognized. On the other hand, no expenditures were recorded either that resulted in no impact to the Town's net worth.

The Town will continue to evaluate budgets during the fiscal year and amended for each fund whose actual revenues and expenditures exceed budgeted revenues and expenditures by five percent or more.

**TOWN OF MARINGOUIN, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2013**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCIES**

**2012-01 Legislative Audit Advisory Services Report**

**Observation:** In March 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of Town operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The unresolved matters outlined in the report relate to the following:

- Utility Customer Accounts
- Purchasing and Disbursements
- Traffic Tickets/Citations
- Written Policies and Procedures
- Disaster Recovery Plan

The report cited several areas as follows:

**Utility Customer Accounts**

**Past Due Balances**

*Condition:* Management was not consistently terminating/cutting off utility services on all past due accounts.

*Current Year status:* During the current year, management adhered to the Town's cut-off policy and consistently cut-off past due accounts. These efforts resulted in favorable collections during the year. This matter is considered resolved.

**Reconciliation of the Master Water Meter**

*Condition:* Management has not implemented adequate procedures to report master water meter readings to the town clerk for reconciliation to customer usage.

*Current Year status:* Similar finding reported in current year.

**Purchasing and Disbursements**

***Purchasing not Centralized***

*Condition:* Purchasing decisions are made after the receipt of the purchase order or without a proper purchase order issued by the Town Clerk.

*Current Year status:* Similar finding reported in current year.

**TOWN OF MARINGOUIN, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2013**

**A. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)**

**2012-01 Legislative Audit Advisory Services Report (continued)**

**Written Policies and Procedures**

*Condition:* The Town's written policies and procedures were not formally adopted by the board of aldermen.

*Current Year status:* Similar finding reported in current year.

**Disaster Recovery Plan**

*Condition:* A disaster recovery plan was recommended in the Legislative Auditor's report.

*Current Year status:* Similar finding in current year.

**NON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2012-2 Traffic Tickets/Citations**

*Condition:* The Town does not have adequate accounting for the numerical sequence of traffic tickets, nor does the town properly document the disposition of tickets by trial or the acceptance of a plea in open court. As a result of inadequate record keeping, traffic violations were not being reported to the Louisiana Department of Public Safety, as required by law.

*Current Year status:* No similar finding reported in current year.

**2012-3 Louisiana Budget Law**

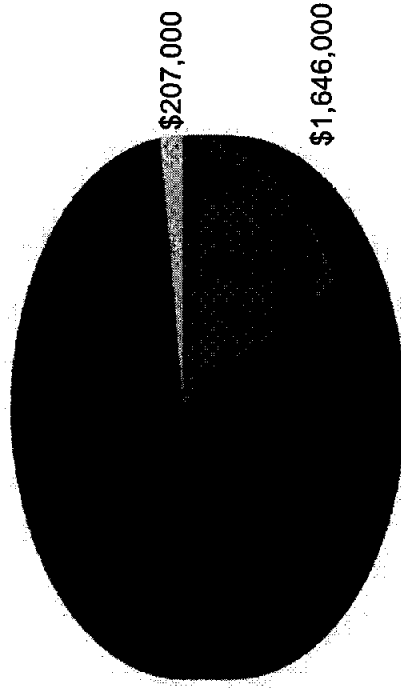
*Condition:* The Town of Maringouin's General Fund had an unfavorable variance of 53.08% of total actual revenues to total budgeted revenues.

*Current Year status:* Similar finding reported in current year.

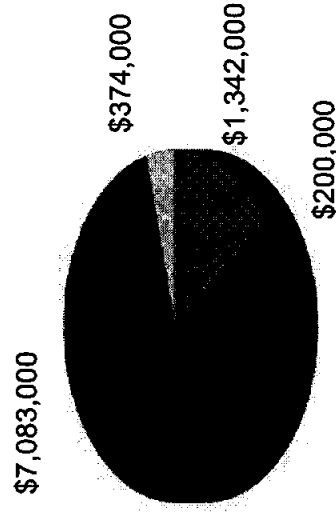
# TOWN OF MARINGOUIN, LOUISIANA

## ASSETS - GOVERNMENT-WIDE

\$7,254,000



SEPTEMBER 30, 2013



SEPTEMBER 30, 2012

■ CASH & CASH EQUIVALENTS    ■ RECEIVABLES    ■ PROPERTY AND EQUIPMENT    ■ RESTRICTED CASH

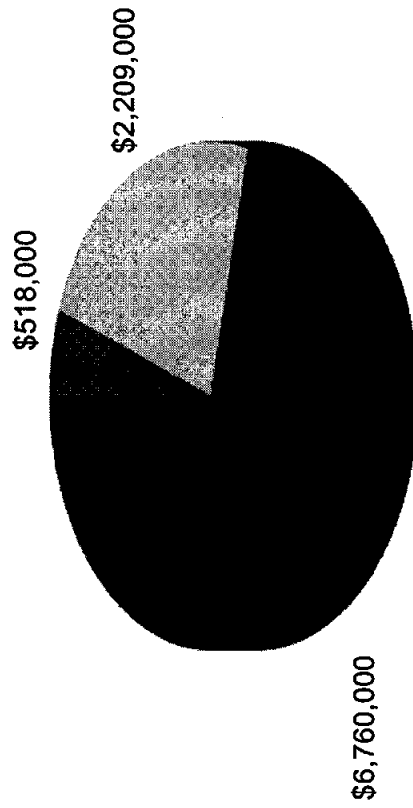
ASSETS = \$9,487,000

ASSETS = \$8,999,000

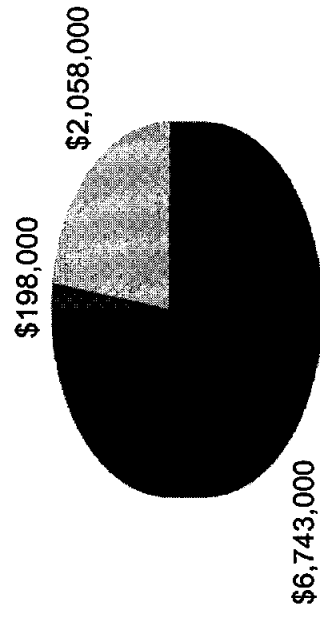
# TOWN OF MARINGOUIN, LOUISIANA

## LIABILITIES & NET POSITION - GOVERNMENT-WIDE

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SEPTEMBER 30, 2013



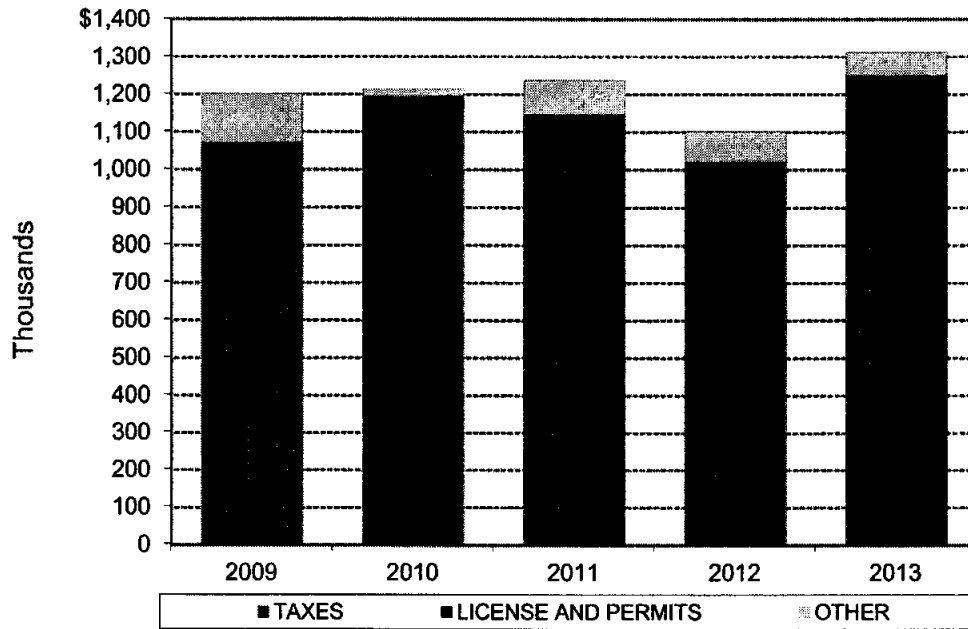
SEPTEMBER 30, 2012

■ LIABILITIES	■ DEBT	■ NET POSITION
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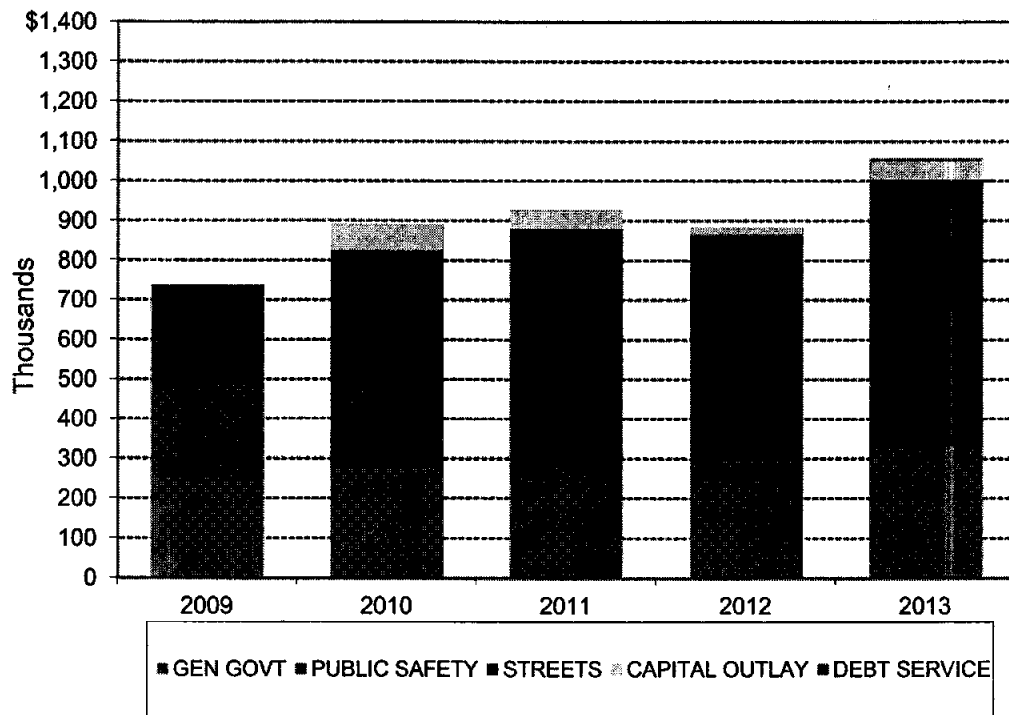
LIABILITIES = \$ 2,727,000  
NET POSITION = \$ 6,760,000

LIABILITIES = \$ 2,256,000  
NET POSITION = \$ 6,743,000

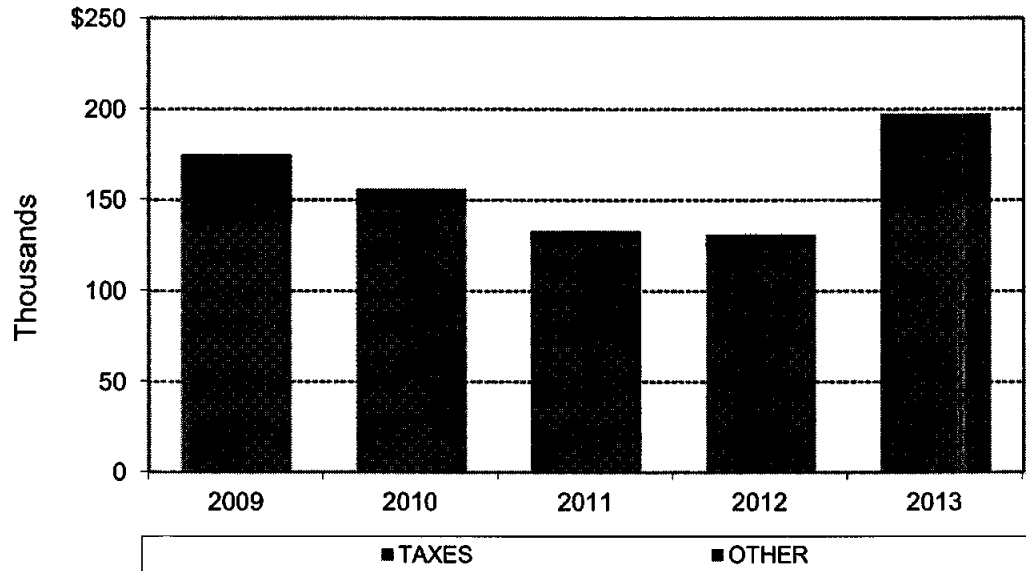
## GENERAL FUND REVENUES TOWN OF MARINGOUIN, LOUISIANA



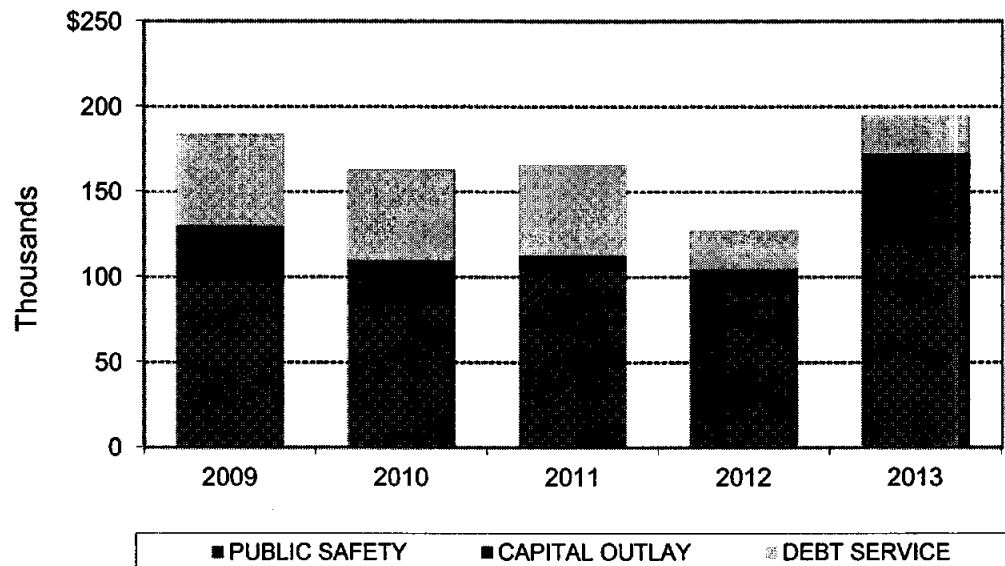
## GENERAL FUND EXPENDITURES TOWN OF MARINGOUIN, LOUISIANA



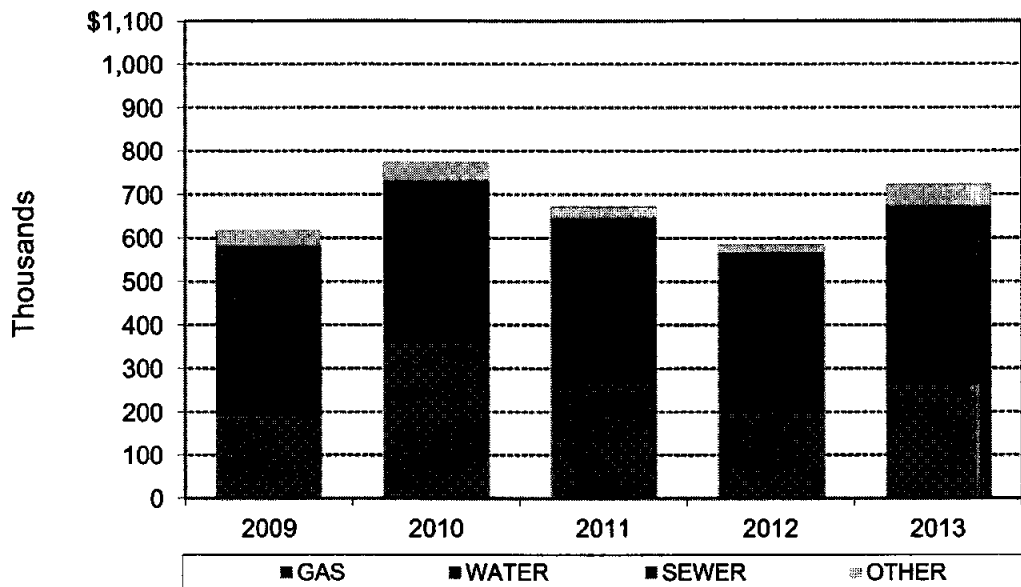
## FIRE PROTECTION FUND REVENUES TOWN OF MARINGOUIN, LOUISIANA



## FIRE PROTECTION FUND EXPENDITURES TOWN OF MARINGOUIN, LOUISIANA



## UTILITY FUND OPERATING REVENUES TOWN OF MARINGOUIN, LOUISIANA



## UTILITY FUND OPERATING EXPENSES TOWN OF MARINGOUIN, LOUISIANA

